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Improving Public Safety and Local Economy Focus of Mayor Reed's March Budget Message

SAN JOSE – Mayor Chuck Reed's March Budget Message recommends that the City of San José hire more police officers and add \$1 million annually to gang prevention and intervention programs, as well as invest in creating jobs and boosting economic development. "Public safety is the top priority of our neighborhood residents and our City Council. We need to invest now to prevent crime and help at-risk youth find alternatives to getting involved in gangs," Mayor Reed said. "We also need to invest in building our City's economic health over the long-term. We need to create jobs that can't be outsourced, build the local economy, and increase our sales tax revenue."

For the seventh year in a row, San José is facing a significant budget shortfall – \$22.3 million in the General Fund operating budget alone. The City's charter requires a balanced budget, forcing the City to cut services that are vital to residents and businesses. Looking ahead over the next five years, San José faces a General Fund structural budget deficit of approximately \$137 million. A structural budget deficit occurs when annual projected expenses and budgetary commitments exceed projected revenues from fees, taxes, and other sources.

"Unless we take action to address the structural deficit, essential services such as police, fire, parks, and libraries will be impacted," Mayor Reed said in the Budget Message.

The Budget Message "intentionally does not contain many new spending proposals," Reed said. "Instead this message focuses on making progress against the structural deficit while preserving essential services for our residents."

The City Council will discuss the Mayor's March Budget Message at a study session at 1 p.m. on March 13. A public hearing on the Budget Message will occur at the 7 p.m. City Council meeting on March 18. At that meeting, the City Council will vote on adoption of the March Budget Message, which provides direction to the City Manager and Executive Director of the Redevelopment Agency for developing the City and Agency budgets for 2008-'09.

Among the spending proposals contained in the Mayor's March Budget Message are recommendations to:

- Provide funding for 15 additional police officers.
- Add \$1 million in ongoing funds for gang prevention and intervention programs.
- Minimize reductions for critical police services in patrol, gang and violent crimes investigation, truancy abatement and burglary suppression.
- Maximize the use of civilian positions to increase the number of sworn officers in the field.
- Maintain funding for school crossing guards.
- Fund new traffic calming technologies to protect neighborhood residents from traffic problems.
- Fully staff the anti-graffiti and anti-litter programs.
- Augment economic development programs to generate significant economic benefits, create jobs, and increase revenue for the City.
- Fund improvements to the development permit process, making San José a more business-friendly community.

The March Budget Message reflects the City's Community Based Budgeting Process, a commitment that Mayor Reed made when elected. "We've had an open and transparent budget process," he said. "We surveyed 1,000 residents and held community and stakeholder meetings to find out which City services are most important to our residents. Our goal is for residents to be involved in the budget process."

Following adoption of the March Budget Message, community meetings will be held throughout the City to garner feedback from residents about the 2008-'09 budget. Budget study sessions will be held in May and June, and the final budget will be adopted in late June.

Additionally work will continue on addressing the structural budget deficit, with the Council nominating a stakeholder group with members representing labor, city employees, business, non-profits, taxpayers, and neighborhoods. This group will identify advantages and concerns for various strategies that could be used to address the structural deficit. In November, the City Manager will release a Three-Year Structural Deficit Elimination Plan.

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